

Message Text

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SUBJ: CONSUMER GOODS COUNCIL PROGRAM

1. SUMMARY. JULY 13 SCINTEIA PUBLISHES EDITED TOXT OF PROGRAM FOR NEWLY-CREATED CONSUMER GOODS COUNCIL. FIGURES FOR PLANNED TOTAL CONSUMPTION CORRESPOND WITH THOSE OF JUST APPROVED FIVE YEAR PLAN (FYP) LAW. PLANNED FOOD CONSUMPTION, EXPRESSED AS A RANGE OF FIGURES IN FYP, IS NOW "AROUND" LOWER LIMIT OF FYP RANGE FOR ALL PRINCIPAL PRODUCTS. ARTICLE CALLES FOR IMPORT SUBSTITUTION BY RELIANCE ON INCREASED DOMESTIC PRODUCTION. END SUMMARY.

2. PROGRAM FOR CONSUMER GOODS COUNCIL RESTATES IN MORE DETAIL ARTICLES 38 AND 39 OF FYP LAW ON RETAIL SALES. MINISTRIES OF AGRICULTURE, LIGHT INDISTRY, AND MACHINE BUILDING ARE SINGLED OUT AS HAVING SPECIAL RESPONSIBILITY FOR SEEING THAT PROGRAM, UNDER DIRECTION OF COUNCIL, IS FULFILLED. PROGRAM COVERS FOUR CATEGORIES OF GOODS: FOOD (PRIVATE CONSUMPTION), FOOD (PUBLIC CONSUMPTION), CLOTHING, AND CONSUMER DURABLES, HOUSEHOLD ARTICLES, LIMITED OFFICIAL USE

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AND CONSTRUCTION MATERIALS FOR PRIVATE USE. TOTAL GOODS CONSUMPTION

IN 1980 WILL BE 208.6 BILLION LEI, A 47.5 PERCENT RISE OF 1975.
(175 VS 1970 SHOWED 50.3 PERCENT GROWTH.)

3. FOOD (PRIVATE CONSUMPTION): PLANNED INCREASE (180 VS 1975)
IS 48.1 PERCENT. ALL TARGET FIGURES FOR SALE OF INDIVIDUAL
PRODUCTS IN 1980 TAKE MINIMUM OF RANGE GIVEN IN FYP LAW, TO WHICH
IS ADDED QUALIFIER "ABOQY", IMPLYING PERHAPS NOT EMLN ATTAINMENT
OF MINIMUM GOALS. FISH AND FISH PREPARATIONS, NOT LISTED
AS SEPARATE CATEGORY IN FYP LAW OF TWO WEEKS EARLIER, IS SLATED
FOR LARGEST INCREASE, 180 PERCENT GREATER CONSUMPTION IN 1980 THAN
IN 1975. OTHER CATEGORIES RANGE IN PLANNED GROWTH FROM LOW OF
30 PERCENT (SUGAR) AND 35 PERCENT (COOKING OIL), BOTH PRONE
TO SCARCITIES, TO A HIGH OF 100 PERCENT OF FRUITS, WHICH THIS
SUMMER ARE RATHER SCARCE EXCEPT IN HARD-CURRENCY-EARNING TOURIST
AREA OF BLACK SEA COAST. MEAT CONSUMPTION, A BAROMETER OF GOVERNMENT
POLICY IN PROVIDING FOOD FOR DOMESTIC CONSUMPTION, SHOWS PLANNED
INCREASE OF 55 PERCENT. PROGRAM ASSURES IMPORTS OF CITRUS FRUITS,
BANANAS, DATES, FIGS, COFFEE, OLIVES, AND SPICES (AND BY OMISSION
PROBABLY NOTHING ELSE).

4. FOOD (PUBLIC CONSUMPTION): ROUGHLY ONE-SEVENTH (31.6 BILLION
LEI) OF CONSUMER EXPENDITURES IN 1980 WILL BE IN RESTAURANTS
AND OTHER EATING PLACES. GROWTH RATE WILL BE 54.5 PERCENT
(1980 VS 1975). RESPONDING TO CHRONIC SHORTAGE IN SUMMER MONTHS,
PROGRAM ASSURES THAT THERE WILL BE SUBSTANTIAL INCREASE IN PRODUCTION
OF BEER.

5. CLOTHING: SALES OF CLOTHING IN 1980 WILL REGISTER 70-75 PERCENT
GROWTH OVER 1975, ACCOUNTING FOR 28.8 BILLION LEI. INDIVIDUAL
CATEGORIES' TARGETS COINCIDE EXACTLY WITH FIGURES IN FYP LAW.
IMPORTS OF TOWELS, BLANKETS, OIL CLOTH, AND LEATHER COATS WILL BE
PERMITTED.

6. OTHER: PLANNED INCREASED (1980 VS 1975) OF PRINCIPAL CATEGORIES
ARE ELECTRIC APPLIANCES (97 PERCENT), OTHER HOUSEHOLD GOODS (62
PERCENT), MATERIALS FOR HOME IMPROVEMENT (57 PERCENT), FURNITURE
(45-50 PERCENT), AUTOMOBILES (45-50 PERCENT). ABSOLUTE LEVELS
OF CONSUMPTION IN 1980 IN BILLION LEI: ELECTRIC APPLIANCES (7.5),
FURNITURE (7.5), AUTOMOBILES (4.7). ROMANIA'S IMPORT SUBSTITUTION
POLICY WILL REPORTEDLY RESULT IN 95 PERCENT OF ALL ELECTRIC
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APPLIANCES IN 1976-1980 BEING DOMESTICALLY PRODUCED.

7. COMMENTS:

A. STATISTICAL DISCREPANCIES - WITH STATISTICS ACCOMPANYING
PROGRAM, GOR AGAIN PLAYING ITS FAVORITE GAME OF PEA-IN-POD.
OF PLANNED 600 BILLION LEI NET NATIONAL PRODUCT FOR 1980, 210
WILL BE FOR GOODS CONSUMPTION AND 45 FOR SERVICES. NOT WAGES
AND SALARIES (AFTER TAXES) FROM STATE ENTERPRISES AND COOPERATIVES

WILL BE ABOUT 215 BILLION LEI IN 1980. PROCEEDS FROM PEASANTS' PRIVATE PLOTS, AT 45 BILLION LEI, BRING TAKE-HOME INCOME TO TOTAL OF 260 BILLION LEI. DIFFERENCE OF 5 BILLION LEI BETWEEN INCOME AND EXPENDITURES ON GOODS AND SERVICES IS MORE THAN ABSORBED IN APARTMENT PURCHASES. ACCORDING TO ABOVE STATISTICS, NO EXCESS INCOME REMAINS FOR RENTS, FUEL, ENTERTAINMENT, TOURISM, AND SAVINGS. LARGE DOWN-PAYMENTS ON AUTOMOBILES (ABOUT 50 PERCENT OR 35,000 LEI) AND APARTMENTS (EP PERCENT OR ABOUT 30,000 LEI) SHOULD NECESSITATE CORRESPONDINGLY LARGE SAVINGS. NO OFFICIAL DATA IS AVAILABLE ON ESTIMATED SIZE OF PRIVATE SERVICE SECTOR, THE MAIN EFFECT OF WHICH CQ TO REDISTRIVUTE WEALTH AMONG CONSUMERS. AMAZINGLY

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ALMOST ALL GROWTH FIGURES FOR MAJOR CATEGORIES OF RETAIL GOODS (ACCOUNTING FOR ESTAIMATED 180 BILLION LEI OUT OF 210 BILLION LEI TOTAL) EXCEEDED PLANNED AVERAGE OF 47.5 PERCENT AND NONE WERE LESS THAN AVERAGE.

B. SHORTAGES AND CUTBACKS - CLOTHING IMPORTS WILL BE FROM CHINA (TOWELS, BLANKETS), MONGOLIA (LEATHER COATS), AND A FEW ARAB COUNTRIES. NO CLOTHING IMPORTS FROM OTHER COUNTRIES WILL TAKE PLACE. PRESENT LIMITED FOREIGN SUPPLY OF ELECTRICAL HOUSEHOLD GOODS (TV'S RADIOS, REFRIGERATORS, STEREOS, TAPE RECORDERS), EVEN FROM CEMA COUNTRIES, WILL DRY UP AS ROMANIA STRESSES SELF-RELIANCE. CONSUMPTION OF METAL AND WOOD WILL BE TIGHTLY CONTROLLED WHILE PRIVATE USE OF CEMENT WILL MORE THAN TRIPLE. GROWTH IN USE OF ELECTRICITY WILL BE KEPT AT ABSOLUTE MINUMUM.

C. ATTAINABILITY - IN FOOD PRODUCTS, PLANNED RATES OF INCREASE EXCEED THOSE OF RATES ATTAINED IN LAST FYP, SOMETIMES BY AS MUCH AS DOUBLE. EXCEPTIONS ARE MEAT, SUGAR, AND EGGS. CLOTHING GOALS ALSO SHOW MORE AMBITION THAN LAST FYP. WE HAVE LEARNED FROM WELL-PLACED ROMANIAN ACADEMIC FOREIGN TRADE SPECIALIST THAT CEAUSESCU WAS PERSONALLY CONCERNED THAT EACH OF QUANTITATIVE GOALS ELABORATED IN PROGRAM BE IDENTICAL WITH THOSE IN FYP LAW. IF THOESE GOALS PROVE UNATTAINABLE, WE EXPECT TO LIMITED OFFICIAL USE

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SEE SOME FANCY FOOTWORK AS BLAME IS SHIFTED, POSSIBLY TO COUNCIL'S NEW CHAIRMAN, NICULESCU-MIZIL.
VIETS

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